and keeping in view the need for vertical and horizontal equity, made their final recommendations. The Government of India accepted the recommendations of the Eleventh Finance Commission relating to devolution of Central Taxes and Duties and quantum of grants-in-aid to States.

Mobile phone users under tax net

46. SHRI K. RAHMAN KHAN: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that CBDT had addressed all its Zonal Office to prepare lists of those who pay Rs. 50,000 or more as rentals for using mobile phone services for making them pay income tax;

(b) if so, the details thereof;

(c) whether the lists of such users of mobile phone services have been prepared; and

(d) if so, the action being taken against them for recovery of income tax?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHRI PAD YESSO NAIK) : (a) and (b) Yes, Sir. The CBDT has required the concerned Commissioners of Income Tax to collect information relating to persons having incurred expenditure above Rs. 25,000/- in FY 2002-03 on charges for use of mobile phones.

(c) Lists of such persons are being collected by the Department from mobile phone service providers.

(d) It is proposed to verify whether such persons are assessed to tax and whether the expenditure so incurred has been accounted for.

Exemptions of income tax to senior citizens

47. SHRI ANIL SHARMA: Will the Minister of FINANCE be pleased to state:

(a) whether Government have received any representations from any organizations working for the welfare of the senior citizens with regard to grant of exemption to the senior citizens from filing Income-tax Returns whose income does exceed Rs. 50,000/- per annum; and

(b) if so, the details thereof and what action Government propose to take in the matter in order to provide physical and mental relief to the senior citizens?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHRIPAD YESSO NAIK): (a) Yes Sir.

(b) It has not been found feasible to provide such an exemption for a specific category of citizens in view of the policy of the Government to enlarge the tax base. However, senior citizens are allowed tax rebate upto an amount of Rs. 20,000/- from the amount of income-tax chargeable. Further, the income-tax return forms have been simplified.

Low FDI inflow

48. SHRI K. RAMA MOHANA RAO: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the FDI has dropped to 50 per cent in the first quarter of April-June, 2003;

(b) whether it is also a fact that the FDI inflow for the above period stood at US $ 529 million as against US$1.2 billion in the corresponding period last year;

(c) if so, the reasons for this drop; and

(d) What steps Government are taking to overcome the difficulties and pave way for more FDI inflow?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL):

(a) and (b) The amount of inflows of FDI during the first quarter of current financial year (01-04-2003 to 30-06-2003) is Rs.17,937.34 million (US $ 381.65 million) compared to Rs.52,666.00 million (US $ 1,097.21 million) received during the corresponding period of 2002.

(c) The inflow of FDI is largely depedent on factors such as commercial judgement of the investors, global market conditions and trade fundamentals.

(d) Government has put in place a liberal FDI policy and most of the sectors have been placed under the automatic route, except for a small